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INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE PRIORITY

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E.O. 12958: DECL: 05/19/2033
TAGS: [PARM](#) [MTCRE](#) [PREL](#) [TW](#) [CH](#) [IR](#)

SUBJECT: EFFORTS TO EVADE TAIWAN'S EXPORT CONTROL
RESTRICTIONS ON MACHINE TOOL TRANSFERS TO IRAN (S)

Classified By: ISN/MTR DIRECTOR PAM DURHAM
REASONS 1.4 (B), (C) AND (D).

11. This is an action request. AIT Taipei, please see paragraph 4.

12. (S) Background: In light of our extensive cooperation with Taiwan under the export control "Gameplan," we want to alert Taiwan authorities to efforts by Johann Mair to circumvent Taiwan's export controls. Specifically, in late March 2008, the USG believes that Mair, who is affiliated with the Taiwan company Turret Industrial Company, coordinated an offer for the Chinese company Fuyu Pacific Machinery Ltd. to provide a model QV209 3-axis computer numerically controlled (CNC) vertical machining center to Iran. This CNC vertical machining center is produced by the Taiwan-based firm Pinnacle. It is potentially controlled by the Nuclear Suppliers Group (NSG) and was to be provided to the Iranian firm Tehran Ekram Engineering Company. Delivery was scheduled within two months after receipt by Fuyu Pacific Machinery Ltd. of a letter of credit.

13. (S) We also have information that Turret Industrial Company has been working to supply both model SV116 and QV209 vertical machining centers produced by Pinnacle to Tehran Ekram Engineering Company. Like the transaction above, these machines were scheduled to ship to Iran within 60 days of receipt of a letter of credit. Our information indicates that Tehran Ekram Engineering Company has been working with Johann Mair and his affiliate companies as a part of a coordinated effort to circumvent export control restrictions on machine tool transfers to Iran.

14. (S) Objective: We want to ask Taiwan authorities to immediately investigate this information and take measures to prevent Johann Mair -- or his affiliate companies Turret Industrial Company or Fuyu Pacific Machinery Ltd. -- from evading Taiwan's export controls to act as a supplier of sensitive technology to Iran.

15. (S) Action Request: Request AIT Taipei approach appropriate officials to deliver talking points/non-paper in paragraph 6 below and report response. Talking points also may be provided as a non-paper.

16. (S) Begin talking points/non-paper:

(SECRET REL TAIWAN)

-- The U.S. appreciates your continuing efforts to strengthen Taiwan's export control system by implementing the U.S.-Taiwan "Gameplan."

-- It is in this context that we would like to share with you information concerning efforts to circumvent Taiwan's export controls on the sale of machine tools to Iran.

-- Specifically, we understand that in late March 2008, the Chinese company Fuyu Pacific Machinery Ltd.,

offered to provide a Taiwan-origin, computer numerically controlled (CNC) vertical machining center to the Iranian firm Tehran Ekram Engineering Company.

-- This machine, which would be delivered within two months after the receipt by Fuyu Pacific Machinery Ltd. of a letter of credit, is a model QV209 3-axis vertical machining center that is potentially controlled by the Nuclear Suppliers Group (NSG) and produced by the Taiwan-based firm Pinnacle. If this machine tool is NSG-controlled, transfers to Iran would be prohibited by UNSCR 1803.

-- We believe the individual coordinating this purchase for Fuyu Pacific Machinery Ltd. is named Johann Mair, who is also affiliated with the Taiwan company Turret Industrial Company.

-- Turret Industrial Company, which may also have branch offices in Malaysia and China, has been working to supply both model SV116 and QV209 vertical machining centers produced by Pinnacle to Tehran Ekram Engineering Company. Like the transaction involving Fuyu Pacific Machinery Ltd., these machines were scheduled to be shipped to Iran within 60 days of receipt of a letter of credit.

-- Our information also indicates that Tehran Ekram Engineering Company is working with companies associated with Johann Mair as a part of a coordinated effort to circumvent export control restrictions on machine tool transfers to Iran.

-- We therefore request that you immediately investigate this information and take measures to prevent Johann Mair - or his affiliate companies Turret Industrial or Fuyu Pacific Machinery Ltd - from acting as a supplier of sensitive technology to Iran.

-- We look forward to continued cooperation on export control matters and would appreciate your sharing with us the results of your investigation into this activity at the earliest possible time.

End talking points/non-paper

17. (U) Washington POC is ISN/MTR April Jones (Phone: 202-647-3176). Please slug any reporting on this issue for ISN/MTR.

18. (U) A word version file of this document will be posted at www.state.sgov.gov/demarche.
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End Cable Text